



U.S. Department of Justice

**Stephen J. Murphy
United States Attorney
Eastern District of Michigan**

*Suite 2001
211 West Fort Street
Detroit, Michigan 48226-3277
Fax: (313) 226-3561*

For Immediate Release:

Contact: Gina Balaya (313) 226-9758

November 23, 2005

EVENT: Sentencing

Defendant: Joseph Hudson

**WYANDOTTE CONTRACTOR SENTENCED TO
38 MONTHS FOR DEFRAUDING RIVER ROUGE SCHOOL DISTRICT**

A 50-year-old Wyandotte contractor, who used his position as an independent contractor with the River Rouge Schools to fraudulently bill the school district for goods and services that were never provided, was sentenced to 38 months in federal prison United States Attorney Stephen J. Murphy announced today. Daniel D. Roberts, Special Agent in Charge of the Federal Bureau of Investigation, joined in the announcement.

Joseph Hudson, a Wyandotte resident, was found guilty following a jury trial in June of three counts of using his position to defraud the River Rouge Schools.

The evidence presented at trial established that the River Rouge School District retained Hudson to work in its local television studio, and its document production studio. While working on behalf of the district, Hudson conspired with two outside vendors to create

and submit fraudulent invoices for goods – such as audio/video equipment, cameras, lumber and construction materials -- and services that were never provided. On many occasions, Hudson would fraudulently sign on behalf of the district for receipt of phantom products and initiate the payment process on the fake invoices. Through various similar schemes, Hudson fraudulently converted approximately \$200,000 of the district's funds to his own use over a two period.

United States Attorney Murphy said, "This case represents one of the worst possible violations of the public trust, when individuals divert funds from the schooling of young children to their own personal benefit. This sort of prosecution underscores my office's commitment to the principle that individuals who violate the public trust will be prosecuted to the fullest extent possible. We will not yield in our efforts to enforce the law that benefits the rights of the public."

In sentencing Hudson, U.S. District Judge Victoria Roberts noted that Hudson "utterly failed in acting in the best interests" of the River Rouge students. Responding to numerous letters of support written on behalf of Hudson, Judge Roberts surmised that Hudson must live a "chameleon life."

In addition to the prison sentence, Judge Roberts also ordered Hudson to pay restitution of \$204,279 to the River Rouge Schools.

U.S. Attorney Murphy thanked the FBI for its assistance in the successful investigation of the case along with Assistant United States Attorney John Engstrom who prosecuted this case.